

nominate the carrier but pick up the bill once the container is lifted from the seller's vehicle delivering it. This would include those pesky storage charges if the container subsequently got rolled.

Other shippers persist with the obsolete Free on Board (FOB) terms, under which they supposedly take delivery of a container alongside a vessel at berth — in a modern container port? — but don't take responsibility for costs until the container eventually crosses the nebulous "ship's rail," thereby avoiding any charges for delays caused by the carrier they chose.

Potentially good for buyers but legally suspect, FOB leaves exporters sore at paying the costs of a party with whom they have no commercial relationship or negotiating power. This prompted Sri Lanka back in 2016 and India as recently as last October to mandate the use of FCA terms for all export traffic, as the terms are purpose-built for containerized operations and align obligations with commercial benefits.

Shippers should look to sort this matter out among themselves in 2022, before other governments follow that lead.

#### National Retail Federation (NRF)

### Matthew Shay

President and CEO  
nrf.com



As the US retail sector comes off another record-setting year, ongoing supply chain disruptions will continue

to affect the industry in 2022. Retailers have worked around the clock to meet increased consumer demand despite the challenges they have faced. And although uncertainty around the ongoing impact of COVID-19 lingers, especially among key trading partners, merchants will continue to focus on their supply chains to ensure resiliency for future disruptions.

Throughout the pandemic, supply chain issues have been a priority

#### Retail Industry Leaders Association (RILA)

### Brian Dodge

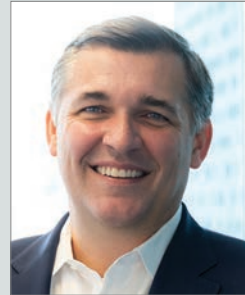
President and CEO  
rila.org

The era of COVID-19 has now stretched to nearly two years, and it can be difficult to remember pre-pandemic realities. The past year brought plenty of changes, but one constant has been the retail industry's commitment to serving its customers and communities.

The ongoing supply chain disruption in the US has been a defining narrative of 2021. Historically more of a behind-the-scenes workhorse, retail supply chains have spent the past several months in the national spotlight. This has motivated national interest both in solving current problems and in ensuring systemic, long-term issues are resolved to maintain economic growth and global competitiveness.

As historic levels of much-needed investment in roads, bridges, rail, and port infrastructure come to fruition, it's essential that large shippers and users of infrastructure have a prominent voice in determining where funds are applied to maximize impact. The industry must also commit to strengthening data infrastructure and developing interoperable data standards that can enable the visibility and plannability necessary for today's light-speed supply chains.

The Biden-Harris administration should continue bolstering the US Federal Maritime Commission's (FMC) oversight of foreign-owned ocean carriers, alliances, and port terminal operators, sending the



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message that fair and open supply chains are essential to the American economy. Advancing the Ocean Shipping Reform Act of 2021 is a key aspect of this effort.

Leading retailers continue to flex exceptionally adaptable supply chain networks, operated by logistical ninjas who solve problems through collaboration with suppliers and service providers.

In 2022, retailers will need to navigate inflationary pressures, taking significant measures to manage costs and increase supply chain efficiency. As online retail sales remain strong — Adobe predicts annual US e-commerce sales will surpass \$1 trillion for the first time in 2022 — large retailers will continue to optimize their networks to increase speed and flexibility.

Inventories remain below normal levels, and as retailers restock, many are trending away from lean, just-in-time philosophies. Forward-deployed distribution and fulfillment, located closer to the customer, will be enabled by increased automation and cutting-edge analytics.

Disruption will continue throughout 2022. Production setbacks, challenging labor shortages, soaring costs in all freight modes, constrained capacity, equipment dislocation, port congestion, and the various supply chain challenges that predate the pandemic will not be solved overnight.

Consumers can bet on retailers to remain resilient. Circumstances are always shifting, and retailers will keep adapting to deliver for their customers.

for retailers. Many have made investments both internally and externally to meet the challenge. Critical to this effort has been a focus on communication within retailer organizations and with partners to ensure that all parties are in agreement on the best supply chain strategy.

As we enter 2022, shippers must focus on ensuring that we are better prepared for the future and building out a truly 21st-century supply chain. Retailers will certainly focus their efforts on re-aligning their supply chains to meet future consumer needs and ensuring their partners can meet those needs.

Working together with all

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stakeholders to address the continuing congestion issues plaguing major US ports will be critical to moving forward. The industry cannot go back to doing things the same as before. Instead, shippers must focus our attention on getting all key stakeholders together to develop creative solutions that will result in more efficient and resilient supply chains.

Passing the Ocean Shipping Reform Act of 2021 would certainly help address some key issues that existed well before the pandemic.

Better communication and information sharing among supply chain partners is also critical. More accurate information can help all parties to